



Frequently Asked Question Applicability of IFRS Accounting Standards to entities applying the IFRS for SMEs Accounting Standard

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(replaces FAQ Frequently Asked Question (FAQ) - Applicability of IFRS 9 – Financial Instruments, IFRS 15 – Revenue from Contracts with Customers and IFRS 16 – Leases to entities applying the IFRS for SMEs standard)



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Introduction

The purpose of this FAQ is to clarify the applicability of new IFRS Accounting Standards, amendments to IFRS Accounting Standards and IFRS Interpretations Committee agenda decisions when issued for entities preparing financial statements in terms of the IFRS for SMEs Accounting Standard.

Question

From time to time, the International Accounting Standards Board (IASB) publishes new IFRS Accounting Standards or amendments to IFRS Accounting Standards or IFRS Interpretations Committee agenda decisions. Are these, by default, applicable to entities applying the IFRS for SMEs Accounting Standard?

Answer

No.

The IFRS Accounting Standards, amendments to IFRS Accounting Standards and IFRS Interpretations Committee agenda decisions (collectively referred to as 'full' IFRS Accounting Standards) are applicable to entities applying IFRS Accounting Standards. Any new requirements introduced to the full IFRS Accounting Standards affect entities applying these Standards.

The IFRS for SMEs Accounting Standard is a self-contained Standard tailored for the needs and capabilities of small and medium-sized entities and revisions to the Standard are conducted less frequently. The previous review of the IFRS for SMEs Accounting Standard (the first review of this Standard) was conducted in 2012.

The IASB undertakes a due process independent of the IFRS Accounting Standards prior to incorporating any new requirements into the IFRS for SMEs Accounting Standard. Thus, there is generally a time lag between the date that the new requirements from the new IFRS Accounting Standards or amendments to IFRS Accounting Standards are effective and the date that they are considered or incorporated into the IFRS for SMEs Accounting Standard¹.

Outside of any potential alignment with full IFRS Accounting Standards coming out of the periodic comprehensive reviews of the IFRS for SMEs Accounting Standard and/or ad hoc amendments to the IFRS for SMEs Accounting Standard, paragraph 10.6 of the IFRS for SMEs Accounting Standard allows (but does not require) an entity to consider the requirements and guidance in full IFRS when using its judgement in developing and applying an accounting policy where the IFRS for SMEs Accounting Standard does not specifically address a transaction, other event or condition. Similarly, where more detailed guidance on the accounting for a transaction, other event or condition is contained within full IFRS Accounting Standards, this may be considered in interpreting the requirements contained within the IFRS for SMEs Accounting Standard insofar as it is also applicable to SMEs. However, this is only appropriate if the requirements of the IFRS for SMEs Accounting Standard are effectively the same as those of full IFRS Accounting Standards. An entity should not apply the requirements of full IFRS Accounting Standards if they are in conflict with or differ from the specific requirements of the IFRS for SMEs Accounting Standard.

¹ At the time of publishing this FAQ, the IASB is expected to complete its second comprehensive review of the IFRS for SMEs Accounting Standard during 2025. This review seeks to align the IFRS for SMEs Accounting Standard with various new IFRS Accounting Standards, amendments to IFRS Accounting Standards and IFRS Interpretations published since the last comprehensive review in 2012. Visit this [IFRS for SMEs page](#) for more information on the second comprehensive review of the IFRS for SMEs Accounting Standard.